

## CHAPTER 3:

### DETAILED ANALYSIS OF BINGO, PUNCHBOARDS/PULLTABS AND RAFFLES BY STATED PURPOSE AND BY LARGEST LICENSEES IN EACH ACTIVITY

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The data presented in this chapter provide a detailed analysis of Bingo, Punchboards/Pulltabs (PB/PT) and Raffles, by Stated Purpose and by Top (Largest) 20 or 10 licensees. The detailed data tables on which these analyses are based are located in Appendix C.

**Key data terms** include:

Stated purpose: The charitable or nonprofit purpose identified by the licensee in its application for a gambling activity license.

Top 20/10 licensees: The twenty largest licensees, by Gross Receipts, in Bingo and PB/PT for each year between 1993 and 2003. The ten largest licensees, by Gross Receipts, in Raffles for each year between 1993 and 2003. The Top 20 or 10 is for the year indicated, so the licensees on the list can change from year to year.

**Key indicators**:

**Best Year**: The year in which the specific indicator is at its highest level—for example, the year in which gross receipts or the number of licensees is highest. Many of the comparisons done are between the Best Year and 2003, to give a picture of how much change has occurred since the Best Year. In some cases, 2003 is the Best Year.

Looking at whether the Best Years cluster into certain time periods (or not) gives an additional picture of how the sector and the activities within it have been affected by Commission actions, growth of competition, etc.

**Size: Total Gross Receipts**: Total gross receipts indicate whether the C/NP sector, and the gambling activities within it, are growing or declining.

**Size: Average Gross Receipts or Gross Receipts per Licensee**. The gross receipts in an activity for any given year divided by the number of licensees in that year. This indicator measures the size of the games and whether they are growing or declining. Because the number of licensees in a Pool or stated purpose changes from year to year, the average GR gives a better picture of growth or decline than only looking at the total.

**Benefit to the C/NP Purpose: Total Net Income**. Net income is gross receipts less prize payouts and expenses of the gambling operations. It is the total amount available to apply to the charitable or nonprofit purpose.

Total net income measures whether the amount of money being generated by gambling activities for C/NP purposes is increasing or decreasing.

**Benefit to the C/NP Purpose: Average Net Income or Net Income per Licensee.** This is the total net income for an activity in any given year divided by the number of licensees in that year. This indicator measures whether the amount of net income per licensee is increasing or decreasing. Because the number of licensees in a Pool or stated purpose changes from year to year, the average GR gives a better picture of growth or decline than only looking at the total.

**Volume vs. Profit: Net Income as a percentage of Gross Receipts.** This indicator divides net income by gross receipts to look at the relationship between growth or decline in volume (GR) and whether higher volume produces more net income. Here, the trend from year to year is the key measure.

**Cost to Raise a Dollar of Net Income (CTR):** Expenses of the gambling operation are divided by net income for each year. This indicator was chosen for two reasons. First, it gives a picture of how much money is being spent to raise \$1.00 of net income for the C/NP purpose. Second, it provides a comparison to other non-gambling charitable and nonprofit fundraising activities.

The Cost to Raise indicator was developed as a way to compare to other forms of nonprofit fundraising, where the cost to raise a dollar of private support should not exceed 35 cents (Better Business Bureau, Wise Giving Alliance, 2003).

Trends in CTR are useful because they show if expenses are rising faster than net income. A rapid rise in CTR for an individual licensee appears to be an indicator of potential financial problems in the gambling operation.

## **ANALYSIS OF LICENSEE AND FINANCIAL DATA BY STATED PURPOSE**

**OVERVIEW.** Every organization that wishes to conduct charitable/nonprofit (C/NP) gambling in the State of Washington is required to identify its stated purpose(s) according to the categories listed in RCW 9.46.0209. Organizations are required to show that they have been organized “primarily for purposes other than the operation of gambling activities...”

Because an organization can choose to identify more than one stated purpose, there is some inconsistency in the way that similar organizations classify themselves. In some cases, one type of organization can be found in as many as four of the available stated purposes. If the WSGC wished to analyze C/NP gambling according to stated purpose in any rigorous way, the Commission would need to assign or direct organizations to the appropriate stated purpose. There are several ways to do this, which are discussed in the Recommendations section.

The purpose of this analysis is to examine how each gambling activity has changed between 1987 and 2003 and to determine if the changes have affected organizations within some stated purposes more than others for that activity. In some cases, the comparison is between the “best year”—the year in which the highest level of licensees or dollars occurred—and 2003, to get a sense of the extent of the change. Often the best year is neither 1987 nor 2003 but falls in the early or mid-1990s. The best year also varies by stated purpose. All years are calendar years. The data on which this narrative is based are located in Appendix C.

The stated purposes currently found in the RCW and in use today include (note some of the overlaps below):

Agricultural	(Granges, fairs)
Athletic	(youth hockey, soccer, rowing, baseball, boosters, etc.)
Charitable	(Big Brothers Big Sisters, Boys and Girls, Catholic Charities, Eagles, Kiwanis, Lions, Rotary, hospitals, senior centers, etc.)
Civic	(Rotary, Lions, Kiwanis, Chambers of Commerce, cities, fire Districts, etc.),
Educational	(schools, PTA's, Junior Leagues, various community groups with educational missions)
Fraternal	(Elks, Moose, Sons of Norway, Eagles, etc.)
Patriotic	(American Legion, VFW)
Religious	(churches, church schools, church-related groups)
Social	(recreational, Emblem, senior citizens, country clubs)
Other	(includes some from each of the other categories)

### **Terms and abbreviations used in this section:**

**C/NP** = charitable/nonprofit

**Stated purpose** = one of the ten categories listed above

**Activity** = the type of C/NP gambling, such as bingo, or raffles

**PB/PT** = punchboard/pulltabs

**GR** = Gross Receipts

**NI** = Net Income

**CTR** = Cost to raise a dollar (of net income)

**Best Year** = the year in which there was the highest number of licensees, the highest gross receipts, the highest net income (may be a different year for each)

## **BINGO**

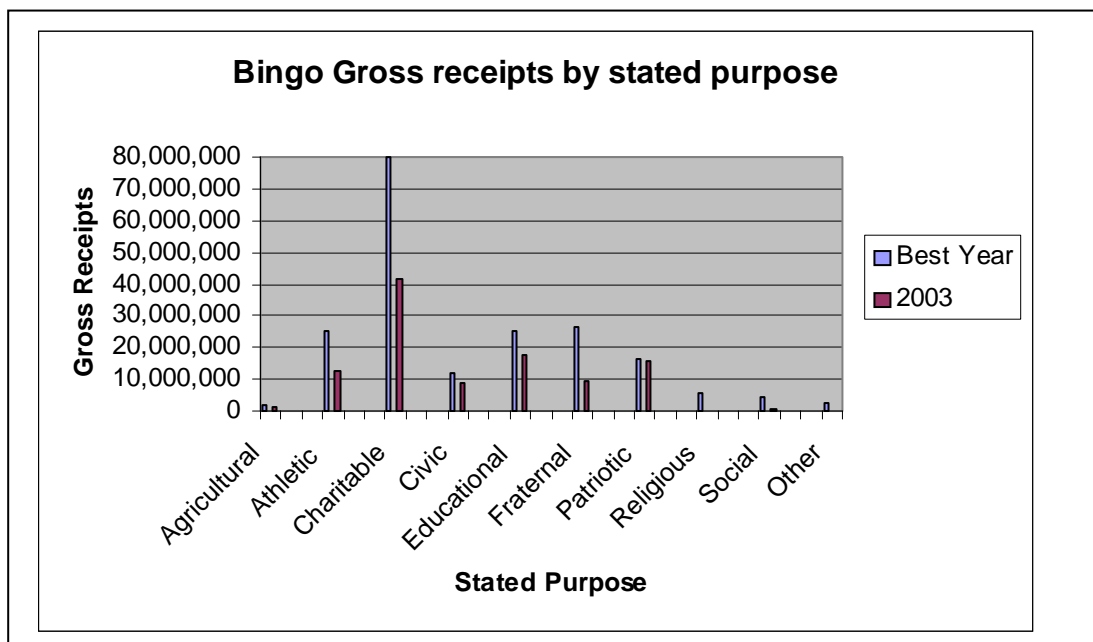
**Licensees:** Fewer C/NP organizations are participating in Bingo. The number of licensees is down by about 59% in total since 1987.

The number of licensees reporting Bingo activity has dropped significantly since 1987. The largest declines were in Fraternal (-77), Other (-47) and Patriotic (-41) stated purposes.

Despite this decline, Fraternal was the largest by far in total licensees in 2003, with 133 licensees. Charitable was next with 59, followed by Social (49), Patriotic with 48 and Educational with 29,

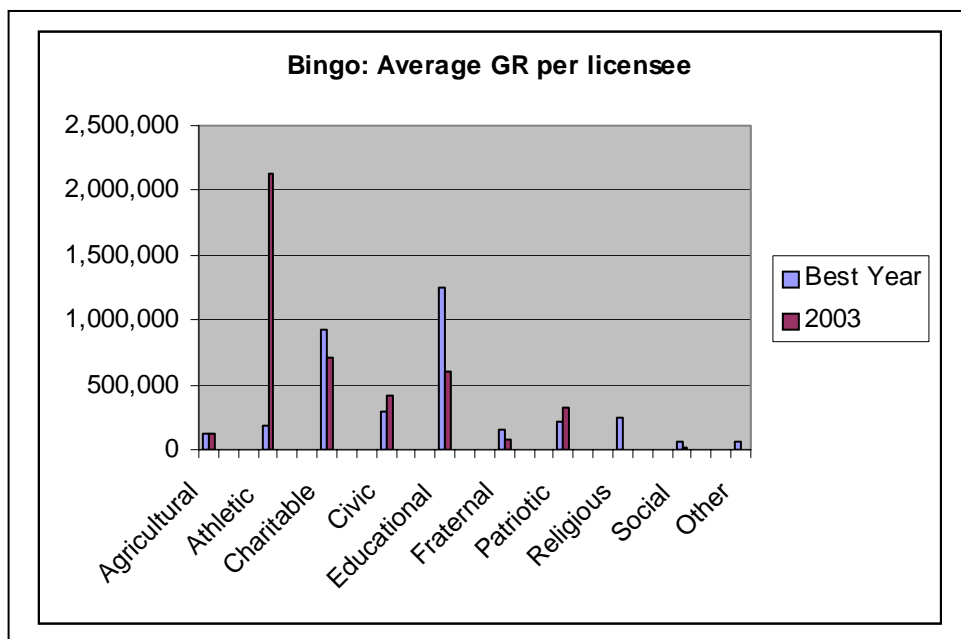
**Size of games (Gross Receipts(GR) Gross Receipts per Licensee):** All stated purposes have declined from their best years in terms of total GR in that stated purpose. However when GR per licensee is examined, some stated purposes are increasing while others are decreasing.. Bingo is no longer operated for the Religious and Other stated purposes and the Social stated purpose has virtually no activity in Bingo as well.

**Total Gross Receipts.** This bar chart shows the decline in total Gross Receipts by stated purpose. Note especially the sharp declines in the Charitable, Fraternal and Athletic stated purposes. Patriotic is the only stated purpose of any size that maintained its level of total gross receipts over time.



GR per licensee. The Athletic stated purpose, even though it declined in total GR, has increased dramatically in GR per licensee. The Athletic licensees have very large bingo operations. Patriotic and Civic also increased, but much more modestly.

Religious, Social and Other licensees no longer participate in Bingo. Charitable, Fraternal and Agricultural licensees have experienced declines in their gross receipts. Fraternal and Agricultural licensees operate small games relative to the other stated purposes.



It is interesting to note that one of the major reasons for authorizing gambling back in 1973 was to allow church bingo games to “be legal.” By 2003, the church games, as represented in the Religious stated purpose, are gone. It is also interesting to note that although Bingo is declining overall, some stated purposes are actually increasing their gross receipts per licensee.

**Size of benefit to charitable/nonprofit purpose (net income, total and per licensee):**

**In general, net income (gross receipts less prizes and expenses) per licensee has declined significantly from the best year for NI and 2003. The best year varies by stated purpose. Only the Agricultural and Patriotic stated purposes have seen an increase in average NI per licensee. All other stated purposes have seen decreases, some dramatic.**

The largest declines in net income occurred in the Educational, Social, Charitable and Civic stated purposes, all of which declined by 100% or more from their best years. Education declined by over 300% and Social by nearly 200%.

If these figures were adjusted for current dollars, all stated purposes would be declining in the purchasing value of their net income, even those whose actual dollars have increased. Note that licensees are required to return 60% of their net income to their stated purpose. Thus, the amount of money flowing to charitable purposes in Bingo decreased significantly from the best year.

**Cost to raise (CTR) a dollar of net income has increased significantly in most stated purposes. Notable exceptions are Agricultural and Fraternal.** The Cost to Raise indicator was developed as a way to compare to other forms of nonprofit fundraising, where the cost to raise a dollar of private support should not exceed 35 cents (Better Business Bureau, Wise Giving Alliance, 2003).

With one exception, net income per licensee goes down as CTR goes up in every stated purpose. Only in Patriotic do both Net Income and CTR increase from the best year to 2003. In the Civic, Charitable, Educational and Athletic stated purposes, CTR has more than doubled from the best year to 2003. In the Civic stated purpose, it has nearly tripled.

It is of concern that the cost to raise a dollar of net income is rising rapidly while net income is falling. At what point does the cost of raising a dollar of net income become prohibitive?

The sectors with the lowest CTR in 2003 are Agricultural and Fraternal, who likely rely heavily on volunteers to run their games.

**Best Year.** The concept of the “Best Year” is used to reflect the year in which the highest level of licensees, gross receipts and net income occurred. It is possible for each of these to occur in a different year. For the number of licensees, it is possible for multiple years to “tie” for best year. It is interesting to see where the best years cluster by stated purpose.

In numbers of licensees, Other, Religious and Social are actually or virtually out of Bingo by 2003. Athletic and Agricultural had their best years in the early and mid-1990s. Educational, on the other hand, has experienced more recent best years.

In Gross Receipts, the stated purposes that are no longer participating had their best years either in 1987 or 1993. The others have best years in the mid-to-late 1990s. The most recent best year was 1997 for Athletic. The Net Income best years are similar, except that Agricultural had its best net income year in 2001.

There are clearly three peaks--in 1987, another in the early 1990s and a third in the mid-1990s. These coincide with efforts made by licensees to achieve modifications in bingo regulations due to declining gross receipts and problems with complying with net income/return/adjusted cash flow requirements.

**Summary.** Bingo is declining. No stated purpose showed 2003 as its best year. Three stated purposes (Religious, Social, Other) are no longer participating in Bingo. Net Income per licensee is dropping faster than Gross Receipts per licensee. The Cost to Raise a dollar of Net Income has increased significantly for every stated purpose except Agricultural and Patriotic. In four stated purposes (Civic, Charitable, Educational and

Athletic) the CTR has more than doubled from their best Net Income years. This indicates, based on other analysis of CTR, that these four stated purposes may be the next to decline significantly.

### **PUNCHBOARD/PULLTABS (PB/PT)**

**Licensees:** Fewer C/NP organizations are participating in PB/PT. The number of licensees is down by about 28% from the best years in each stated purpose.

The number of licensees reporting activity has dropped since 1987. Every stated purpose has declined in number of licensees reporting activity. The largest declines have been in Charitable, Fraternal and Patriotic; and Other and Religious stated purpose licensees have stopped participating in PB/PT altogether.

In 2003 the top three stated purposes for numbers of licensees were Fraternal (173), Patriotic (86) and Charitable (36).

**Size of games (Gross Receipts(GR) and GR per licensee):** The Gross Receipts of all stated purposes have declined between their best year and 2003 (some significantly, others just slightly). However GR per licensee varied, increasing in some areas and decreasing in others. By 2003 there was no PB/PT activity in the Other and Religious stated purposes. The Agricultural stated purpose had the smallest amount of GR in 2003.

GR per licensee have increased significantly (90%) for Civic and quite strongly for Educational and Athletic (45-46%) from their best year to 2003. Patriotic increased slightly.

GR per licensee have decreased somewhat for all other stated purposes.

**Size of benefit to charitable/nonprofit purpose (net income and net income per licensee):** In general, net income (gross receipts less prizes and expenses) per licensee varied widely when best year and 2003 net income were compared. Educational and Athletic stated purposes have seen significant increases in net income per licensee. Religious and Other are no longer participating in PB/PT and Agricultural, Civic and Fraternal have decreased.

Educational increased net income per licensee by 95% and Athletic increased theirs by 78%. Both Social and Civic had increases of close to 40% in net income per licensee.

Agricultural net income per licensee declined by almost 60%; while Charitable and Fraternal declined by 29% and 22% respectively.

Religious and Other licensees no longer participate in PB/PT.

**The Cost to raise (CTR) a dollar of net income has fluctuated among the stated purposes.**

Only the Agricultural stated purpose showed a significant increase in the cost of a dollar of net income raised; all the others either showed decreases (economies of scale?) or are flat. Interestingly, in Bingo, the Agricultural stated purpose has had one of the lowest CTRs. This may represent a different cost allocation strategy between Bingo and PB/PT for organizations in the Agricultural stated purpose.

The Civic, Agricultural and Athletic stated purposes show the highest CTR overall, in the \$2.40 to \$3.70 range.

These variations may reflect the licensees' different methods of allocating costs among the various types of games. There is no Commission-required or prescribed allocation methodology.

**Best Year.** The concept of the "Best Year" is used to reflect the year in which the highest level of licensees, gross receipts and net income occurred. It is possible for each of these to occur in a different year. For the number of licensees, it is possible for multiple years to "tie" for best year. It is interesting to see where the best years cluster by stated purpose.

For total number of licensees, the "best years" were definitely the 1990s, up until 1996. Only Agricultural maintained its highest number of licensees into 2000; all other stated purposes peaked by the mid-1990s.

The best years for total gross receipts were in the 1990s as well, except for Social, which showed 2003 as its best year. Interestingly, gross receipts per licensee increased between the best year and 2003 for Civic, Educational and Athletic even though their best years for total gross receipts were in the 1990s.

The best years for net income all cluster between 1992-94 except Social, with 1998 as its best year. Interestingly, Educational, Athletic, Social and Civic had increases in net income per licensee between the best year and 2003 even though their best years for total net income were in the 1990s.

In general, the best period for PB/PT seems to be the early to mid 1990s, possibly reflecting an effort by C/NP organizations to diversify their gambling operations as Bingo activity declined. The higher GR and NI per licensee in 2003 even though their best years for total GR and NI were in the 1990s suggests that the remaining licensees are growing their games and running them more efficiently.

**Summary.** The PB/PT experience has been mixed. The number of licensees is down, but not as much as Bingo. Some stated purposes saw increases in gross receipts and net income per licensee while others showed decreases. Civic, Educational and Athletic had the most success with PB/PT. Religious and Other licensees no longer participate in PB/PT. The expense structure of PB/PT is difficult to interpret. CTR was actually higher than Bingo in some years but decreased quite rapidly in the 2000s. This may reflect cost allocation decisions.



## **RAFFLES**

**Licensees: More C/NP organizations are participating in Raffles. The number of licensees is up by about 45% since 1993.**

The largest increases in numbers of licensees have been in Charitable (119), Educational (86), Civic (29), and Athletic (23).

The numbers of Fraternal, Patriotic, Religious, Agricultural and Social licensees have stayed constant over the years. The Other stated purpose has declined significantly in the number of licensees.

In 2003 the top three stated purposes for numbers of licensees were Fraternal (182), Charitable (171) and Educational (118).

**Size of games (Gross Receipts (GR) and gross receipts per licensee): Overall, total Gross Receipts for Raffles trended steadily upward. The Educational sector showed 2003 as its best year for Gross Receipts. All sectors declined somewhat in terms of total GR in the sector. However GR per licensee varied, increasing in some areas and decreasing in others. The comparison is between best year and 2003.**

Gross receipts per licensee increased significantly for Other (170%) and somewhat for Athletic (28%).

Gross receipts per licensee decreased the most for Agricultural (66%), followed by Fraternal, Civic and Religious (all around 30%).

To provide a sense of scale, gross receipts per licensee tend to run between about \$5,000 and \$15,000. GR per licensee are probably declining because the number of licensees is growing faster than GR.

**Size of benefit to charitable/nonprofit purpose (net income and net income per licensee): In general, net income per licensee declined somewhat between the best year for NI and 2003.**

Only the Other sector saw an increase (121%) in average NI per licensee. All other sectors have seen decreases, some dramatic. Agricultural declined 72%, and Civic by 45%. Patriotic and Athletic declined by 38% and 33% respectively. Other stated purposes also declined in net income per licensee but less dramatically.

To provide a sense of scale, net income per licensee tends to run between \$1,700 and \$9,000. What is interesting about Raffles is that due to their lower costs (see CTR below), Raffles now generate total net income equaling over half of the total net income generated in Bingo.

**Cost to raise (CTR) a dollar of net income is very modest in Raffles, likely reflecting the use of volunteers to sell tickets and the receiving of donated or discounted prizes. A typical CTR in Raffles is 20-25 cents. The only notable exception is Agricultural, which may be related to the small number of licensees in this sector (3).**

For the Fraternal, Patriotic and Religious sectors, the CTR actually declined between the best year and 2003. In any event, the CTR is small enough that it does not significantly affect overall Net Income in Raffles. This means that Raffles are a relatively “high-yield” method of raising funds for charitable and nonprofit purposes.

**Best Year.** The concept of the “Best Year” is used to reflect the year in which the highest level of licensees, gross receipts and net income occurred. It is possible for each of these to occur in a different year. For the number of licensees, it is possible for multiple years to “tie” for best year. It is interesting to see where the best years cluster by stated purpose.

Raffles are different from Bingo and PB/PT because Raffles’ best years tended to cluster in the more recent years (late 1990s, 2000s), reflecting the growth in Raffles as a fundraising strategy for C/NP organizations. Net income is a partial exception, reflecting an increasing number of licensees but a finite market for Raffles.

**Summary.** Fraternal, Charitable and Educational groups are the largest participants in Raffles, with nearly 200 licensees in Fraternal and Charitable and over 100 licensees in the Educational sector. The greatest growth in the number of licensees has occurred in the Charitable and Educational sectors.

While total Raffle GR have increased, GR per licensee have generally decreased, as more groups have decided to do Raffles as a fundraising activity. This suggests that the market for raffle tickets may be finite. Net income from Raffles also increased quite steadily to 1998 and since then has hovered around \$3.5 million annually. Interestingly, net income for Raffles has now grown to where it equals 50% of Bingo’s net income in 2003.

## ANALYSIS OF LICENSEES AND FINANCIAL DATA BY TOP 20 OR TOP 10 LICENSEES

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As part of the analysis of the charitable/nonprofit gambling sector, we identified the Top 20 licensees by Gross Receipts and Net Income, 1993-2003, for Bingo and PB/PT; and the Top 10 licensees by Gross Receipts and Net Income, 1993-2003, for Raffles. The purpose was to see how the largest games changed over time and the extent to which the largest games dominate the C/NP sector and the gambling activities. The Top 20 or 10 is for each given year; thus the list can change from year to year. In Bingo and PB/PT, many of the same licensees are on the Top 20 list year after year. This is less true for Raffles.

### Terms and abbreviations used in this section:

**C/NP** = charitable/nonprofit

**Top 20** = Twenty largest licensees, in Gross Receipts for Bingo, PB/PT in any given year

**Top 10** = Ten largest Raffles licensees, in Gross Receipts

**Activity** = the type of C/NP gambling, such as bingo, or raffles

**PB/PT** = Punchboard/Pulltabs

**GR** = Gross Receipts

**NI** = Net Income

**CTR** = Cost to raise a dollar (of net income)

**Best Year** = the year in which there was the highest number of licensees, the highest gross receipts, the highest net income (may be a different year for each)

In terms of the largest licensees, the dynamics of the three activities are quite different as outlined below. Note that all years are calendar years.

### BINGO.

- The top 20 licensees represent only about 6% of the total licensees but have gone from representing less than 40% of the total Gross Receipts in Bingo to over 70% of the total GR in 2003. In other words, the largest games dominate the total activity in Bingo.
- The Top 20 licensees represented only about 4% of all licensees in 1993 and nearly 6% of all licensees in 2003. This increase may be due to the decline in total licensees in Bingo (the numerator got smaller).
- The Top 20 licensees have increased their share of total Net Income in Bingo from 50% of the total in 1993 to over 70% of total Net Income in 2003. The largest licensees dominate Bingo.
- However, the Top 20 licensees' share of Net Income has increased only half as fast as their share of Gross Receipts. This indicates that both prize payouts and expenses are rising faster than Gross Receipts in the largest games. In other words, a high level of Gross Receipts does not guarantee a

correspondingly high level of net income.

- Net income is declining for the largest licensees. The Net Income earned by the highest-earning licensee declined 27.5% between 1993 and 2003.
- The Net Income earned by the 20<sup>th</sup> highest earning licensee has declined 74% since 1993. So while Net Income is declining overall, it is declining faster for all but the very largest games.
- The Cost to Raise (CTR) a dollar of net income is nearly \$1.00 higher for the Top 20 Gross Receipts licensees as it is for the Top 20 Net Income licensees. It would be useful to look at the cost structures of the Top 20 Net Income licensees to determine which factors allow them to keep their income up and their expenses down. Some licensees are on both lists.
- There may be an anomaly in 2003, where the #1 Bingo Gross Receipts organization increased its GR by \$2.2 million from 2002. This represents almost a 30% increase in a one-year period. This may reflect an expansion in hours of operation due to the seven-day operations authorization.

**PUNCHBOARDS/PULLTABS.** Most of the Top 20 licensees in PB/PT are also on the list of Top 20 Bingo licensees. However the concentration of dollars in the largest licensees is far less pronounced.

- The Top 20 licensees represented 30% of Gross Receipts in 1993 and 42% of Gross Receipts in 2003. This indicates some additional concentration of dollar volume in the largest games, but far less pronounced than in Bingo. The Top 20 in PB/PT represent from just under 5% to 6.2% of total licensees, which may reflect the drop in number of licensees.
- The number of charitable and nonprofit PB/PT licensees has declined approximately 22% since 1993. In 2003 there were 323 C/NP PB/PT licensees, compared to 413 in 1993.
- The top 20 licensees have increased their share of total Net Income from 28% in 1993 to nearly 40% in 2003. This indicates that PB/PT Net Income is earned far more widely across licensees than is the case in Bingo (where the top 20 licensees generate more than 70% of the Net Income).
- The largest PB/PT licensee had three times the amount of GR than the 20<sup>th</sup> licensee in 1993. By 2003, the largest licensee had more than nine times the amount of GR than the 20<sup>th</sup> largest licensee. The big increase in this gap occurred between 2001 and 2003. The gap in Net Income has widened similarly. This means that the handful of very large licensees (three to five licensees depending on the year) are much bigger than the other licensees, even those in the Top 20.
- The Cost to Raise (CTR) a dollar in Net Income is **higher** for PB/PT than for Bingo until 2002, when Bingo's costs go up and PB/PT's costs go down. This may be an anomaly of the reporting process but it also raises the question of what were the typical expenses, beyond the cost of the games, for PB/PT, or how costs were allocated between Bingo and PB/PT.
- As in Bingo, the CTR for the Top 20 GR PB/PT licensees tends to run about \$1.00 higher than the CTR for the Top 20 NI licensees.

**RAFFLES.** The Top 10 Raffle licensees are an almost completely different set of licensees from the Top 20's in Bingo and PB/PT.

- The Top 10 Raffle licensees represent less than 2% of the total licensees, but over 20% of Raffle Gross Receipts and 26% of Net Income in 2003. The Top 10 do not dominate in Raffles the way the Top 20 do in Bingo and PB/PT.
- Unlike Bingo and PB/PT, the Top 10 licensees' share of both Gross Receipts and Net Income has declined since 1993, falling from nearly 30% to just over 21% of Gross Receipts, and from over 37% to just under 26% in Net Income. This means that the largest Raffle licensees do not dominate the total Raffle activity in the same way that the largest Bingo and PT/PB dominate their activities and that their share of the total has decreased.
- The total number of Raffle licensees has increased 45% since 1993, from 486 to 705.
- The Gross Receipts of the Top GR licensee have nearly doubled since 1993. Net Income increased for the largest Raffle licensees until 2000 and has decreased since then (almost a bell curve shape). This means that the income generated by the biggest Raffle licensees has declined somewhat after seeing strong growth up through the late 1990s.
- In 2003, the amount of Net Income generated by the Top two Raffle licensees is greater than the Net Income generated by all but the top six of the largest PB/PT licensees. This means that the largest Raffles now rival the larger PB/PT licensees in terms of income generated.
- In 2003, the amount of Net Income generated by the Top 2 Raffle licensees is greater than the Net Income generated by all but 12 of the largest Bingo licensees. This means that the largest Raffles now rival the larger Bingo licensees in terms of income generated.
- The Cost to Raise (CTR) a dollar of Net Income in Raffles has ranged in the 12 cents to 25 cents range. The Top 10 Net Income Raffle licensees have consistently been under 20 cents for CTR. The Top 20 GR licensees have seen their costs creep up to 34 cents in 2003, after staying in the 20-25 cent range from 1999-2002.

**HOW NET INCOME OVERLAPS AMONG THE HIGHEST NET INCOME LICENSEES  
IN ALL THREE ACTIVITIES: 2003**

<b>RANK</b>	<b>AMOUNT</b>	<b>ACTIVITY</b>
1	\$726,533	Bingo
2	\$583,876	<b>PB/PT</b>
3	\$475,823	Bingo
4	\$437,282	Bingo
5	\$416,558	<b>PB/PT</b>
6	\$414,683	Bingo
7	\$324,616	Bingo
8	\$274,247	Bingo
9	\$244,141	Bingo
10	\$223,352	<b>PB/PT</b>
11	\$217,897	Bingo
12	\$209,339	Bingo
13	\$204,254	<b>Raffle</b>
14	\$189,674	Bingo
15	\$180,720	Bingo
16	\$179,725	<b>PB/PT</b>
17	\$163,008	<b>PB/PT</b>
18	\$162,011	<b>Raffle</b>
19	\$154,091	Bingo
20	\$152,080	Bingo

Seven (35%) of the Top 20 Net Income licensees were PB/PT or Raffle licensees in CY 2003. In other words, in considering which licensees are generating the most income for their stated purposes, PB/PT and Raffles licensees now are as successful as the largest Bingo licensees.